GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4146
ANSWERED ON:12.12.2016
Self Help Group for MSME
Sharma Shri Jugal Kishore

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government is satisfied with the development in the field of micro, small and medium enterprises (MSMEs) in Jammu & Kashmir;

(b) if so, the details thereof along with the achievement made therein during each of the last three years;

(c) whether the task force set up for the development of MSMEs has recommended to form self help groups by micro-financing institutes and to provide incentives to grant financial assistance to micro enterprises at reasonable rates in the State;

(d) if so, the details thereof along with the recommendations made by the said task force; and

(e) the details of the memoranda of understanding signed with various countries including Mozambique for cooperation in the MSME sector in the country including that in Jammu & Kashmir?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a)&(b): In Jammu & Kashmir, Ministry of MSME through Khadi and Village Industries Commission (KVIC) is implementing Khadi and Village Industries (KVI) Programme. During the last three years, the performances in Jammu and Kashmir is as follows:

Physical performance of Khadi & V.I. in Jammu & Kashmir:
(Rs. in lakhs; employment in lakh persons)
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Year Khadi Village Industries
Production Sales Emp. Production Sales Emp.
2013-14 1471.43 1330.45 0.21 61014.74 70240.65 2.74
2014-15 2646.50 2293.47 0.24 64370.55 74660.54 2.82
2015-16 4110.05 2958.80 0.24 80611.24 94324.36 2.90
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Financial performance of Khadi & V.I. in Jammu & Kashmir:
(Rs. in lakh)
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Name of the Scheme 2013-14 2014-15 2015-16
Khadi Grant 1005.21 1247.08 1040.36
V.I. Grant including PMEGP 3055.14 3459.71 3845.21
Total 4060.35
4706.79
4885.57
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(c)&(d): Prime Minister's Task Force on Micro, Small and Medium Enterprises, in its Report, recommends that the Government should encourage Micro Finance Institutions (MFIs) to form self-help groups and finance micro enterprises in unbanked/ identified excluded rural/semi-urban areas at reasonable rates. Banks may also be encouraged to formulate schemes for refinancing loans taken by the MSEs from non-institutional sources/moneylenders. Financial outreach is likely to prove an effective means to formalize the unorganized sector. Suitable incentives, including tax concessions, should be extended to MFIs to encourage them to work as business correspondents and business facilitators for banks to service micro enterprises.

Micro Units Development and Refinance Agency Bank (MUDRA Bank), is a new institution setup by the Government of India for development of micro units and refinance of MFIs to encourage entrepreneurship in India and provide the funding to the non-corporate small business sector. MUDRA Bank has two type of products like refinance for the micro units having loan requirement to support Micro Finance Institutions (MFI) for lending. MUDRA will finance micro business under the scheme of Pradhan Mantri MUDRA Yojana. Under this, loans are extended under the following three categories i) Sishu− Loans up to Rs.50,000/-, ii) Kishore− Loans from Rs. 50,001/- to up to Rs.5,00,000/- and iii) Tarun− Loans from Rs. 5,00,001/- to up to Rs.10,00,000/-.

The Ministry through KVIC implements Prime Minister's Employment Generation Programme (PMEGP) scheme which is a credit linked subsidy programme and is one of flagship programme of Ministry of MSME. Self Help Group are also eligible to set up their units. The rate of interest are decided by the Banks. The subsidy under the scheme is from 15% to 35%, depending upon the location of the unit and category of the beneficiary.
The performance of PMEGP Scheme during the last three years is as follows:
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No. Year Margin Money allocation
(Rs. in crore) Margin Money utilized#
(Rs. in crore) Units assisted
(Number) Estimated employment generated
(Number)
1 2013-14 1145.00 1076.44 50493 378907
2. 2014-15 1093.06 1122.54 48168 357502
3 2015-16 1286.20 1020.06 44340 323362
4 2016-17* 1100.00 627.09 26885 199524
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*upto 30.11.2016

(e): List of the Memoranda of Understanding (MoU) signed with various countries including Mozambique for cooperation in the MSME sector in the country is placed at Annexure-I. Copy of the MoU between India and Mozambique for cooperation in the MSME sector in the country is placed at Annexure-II.